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BFA-MAHATHIR

MAHATHIR PROPOSES IMPOSITION OF INFRASTRUCTURE TAX

By: Yong Soo Heong

BOAO (Hainan), Feb 27 (Bernama) -- Prime Minister Datuk Seri Dr Mahathir Mohamad today suggested that an agency be set up under the auspices of the United Nations (UN) to collect taxes from rich nations so that funds can be mobilised to finance infrastructure programmes in poor countries.

Dr Mahathir said the cost of infrastructure was very high and the poor could not possibly build all their infrastructure by themselves.

In view of the fact that foreign development aid was still inadequate, a new and reliable source of funds must be found, he said in his keynote address at the inauguration ceremony of the Boao Forum for Asia (BFA) here today.

Also present at the ceremony held at Boao Plaza were Chinese president Jiang Zemin and BFA secretary-general Tan Sri Ajit Singh.

Dr Mahathir said what he had suggested would cost the rich very little yet it would bring about tremendous benefits to the poor and may even enrich the rich a little.

"There can be no doubt that this tax on the rich countries will help spread the wealth to the poor. Since part of the wealth of the rich comes from the exploitation of the resources of the poor, it is only fitting that they return some of it to the poor," he said.

Dr Mahathir said the rich might question the moral or legal basis for taxing them.

On the other hand, he said, the rich had insisted that poor countries open up their economies for them (the rich) to exploit.

"Of course they (the rich) can argue that the flow of capital into the poor countries would be beneficial for them. I am not so sure. Malaysia's experience is that capital can also flow out and when they do this rapidly, the economy can collapse. In any case, the globalisation of the world will profit the rich mostly."

The prime minister argued that if Malaysia could accept globalisation and a borderless existence, certainly the rich countries could and should accept the idea of an international tax in order to help the world's poor.

With the establishment of such an agency, Dr Mahathir said there would be no debts for the poor to pay and neither would they be able to misuse their funds because the infrastructure projects would be decided by the international agency and guided by experts.

"It is time the world think of taxing rich countries on a sliding scale in order to gather sufficient funds to finance the construction of infrastructure in poor countries," he said.

Dr Mahathir said the basis of assessment could be worked out and agreed upon to enable the proposed agency to collect and administer the revenue and implement the projects agreed upon.

"Of course, the agency must be elected democratically by the UN and so must the international civil servants be chosen. No one country should dominate," he said.

Given that foreign aid and loans had failed, he said only an international infrastructural development programme funded through an international tax and confining itself to building needed infrastructure could overcome the poverty of individual nations and their people.

Dr Mahathir said the world was never as rich as it was today but then it was immoral that a world so rich should have people and countries which

were so distressingly poor.

The prime minister said serious efforts must be made to eliminate poverty throughout the world in the 21st century.

In Malaysia's case, he said there was no absolute poverty while relative poverty was only minimal.

Dr Mahathir said a globalised world, which was actually a world nation, should not let the rich exploit the opening up of borders without exacting payment.

"A world nation would be meaningless if the rich can make more money but are exempted from taxes," he said.

Giving an example, he said if one day the world had to go to war with another planet, "then wouldn't we think of everyone becoming involved in the defence of the world?"

"If everyone, including the poor, must take up arms, shouldn't they be entitled to a bit of the wealth in this world?" Dr Mahathir asked.

The prime minister said BFA should be tasked with the study of globalisation and a borderless world, of democracy and human rights, of good governance, of corruption and cronism and all the new ideas which we Asians were expected to accept and to practise.

"We should study them critically because they are not perfect and they need to be improved. We should be prepared to correct, modify or even reject them if we think that they do us bad."

Asians, Dr Mahathir said, had a right to think for themselves and should not be passive receptacles for non-Asian ideas.

"They must put up their ideas with righteousness and confidence. We Asians are not bereft of wisdom and innovativeness. Our ideas are every bit as good as anyone else's. They can be good not only for ourselves but for the world as well," he said.

Dr Mahathir also said that Asians should not reject the ideas and ideologies of non-Asians but one must remember that they were never perfect.

"It is the height of arrogance for anyone to claim their values are universal values. Our Asian values too can be, and probably are universal values. We must stake a claim and prove it."

On BFA, Dr Mahathir said he believed that the forum could be of great service to Asians and to the world in the challenging years of the 21st century.

He said Asia and Asians had a great future in the 21st century but he was quick to add that Asians were not going to dominate the world.

"The 21st century will be the century of the world. But Asians must play a big role in the creation of this century of the world," he said.

Dr Mahathir said BFA would make its mark if great ideas could emerge from its meetings and discussions and hoped that they would be as world-shattering as those from the ancient sages of the past. -- BERNAMA

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